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MEMORANDUM FOR: Acting Deputy Director (Administration)

FROM : Management Officer

SUBJECT : The Establishment of More Adequate Managerial Controls Over the Acquisition and Utilization of Punch Card and Bookkeeping Equipment, Electrical Typewriters, and Electrical Business Machines.

1. Considerable clerical time and effort was recently spent to obtain information on the utilization of punch card machines, bookkeeping equipment, electrical typewriters and electrical business machines. This data was reported as instructed either to the General Accounting Office or to the General Services Administration for submission to the Chairman of the House Appropriations Committee.
2. In addition to statistical data, we were required to report on the following:
  - a. The proper utilization of the equipment.
  - b. The managerial controls exercised over the requisition and use of the equipment.
  - c. The extent to which machine installations were consolidated and the reasons, where applicable, for separate installations.
3. Our utilization of punch card and bookkeeping equipment is very good and while we stated in our report that control of acquisition and coordination was vested in Organization & Methods Service, nevertheless, the survey indicated a need for tightening of this control and for the issuance of suitable instructions.
4. It is suggested a regulation be issued covering the following points:
  - a. General  
All requisitions for the purchase or rental of new punch card machines (including auxiliary equipment), bookkeeping machines and equipment, electrical business machines, electrical typewriters, duplicating, reproducing, copying and other types of special machines must be approved by the Organization & Methods Service except equipment for the Reproduction Division of General Services.

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b. Punch Card and Electrical Bookkeeping Machines

(1) The establishing of all new punch card or bookkeeping machine installations must be approved by the Organization & Methods Service. Specifically, the control and coordinated use of punched-card equipment may be obtained by:

(a) Requiring all requisitions for additional units of equipment, replacement of one type of machine by another, and notices to discontinue installed units, to be approved by Organization & Methods Service.

(b) Upon receipt of a requisition for an additional unit Organization & Methods would first, check the current utilization of the requisitioning installation and that of other installations to determine whether the requisition could be filled by transfer.

(c) Requests to replace one type of machine with another would be investigated to determine the need for such replacement, to avoid replacements based only upon the desire to acquire a newer type of equipment.

(d) Upon notice to discontinue a unit of equipment a review would be made to determine if the same type of unit is about to be requisitioned by another installation. If so, the unit would be transferred rather than discontinued.

(2) The establishing of a standard procedure for recording, by installation, of the various units of equipment in use and the hours used.

(3) The establishing of a quarterly utilization report to assist in determining need for new equipment and to enable us to quickly respond to future requests for reports to Congress or Executive Agencies.

c. Electric Typewriters

These machines are very expensive and can only be justified on basis of special use. Organization & Methods will therefore establish standards which must be met to justify the use and determine if such work cannot be performed on equipment already installed in requisitioning office. Organization & Methods Service is having the information relative to use of electrical typewriters recorded on punch cards and will make a thorough analysis of use of each machine; the results of this analysis will be furnished to your office so that you may determine if a further investigation should be made. The information already on hand indicates there is an excessive number of machines in use and on stock.

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4. Electrical Business Machines

There appears to be but little control over the purchase of various types of electrical business machines such as calculators, dictating and transcribing machines, copying machines, etc. Misuse has been noted of such machines in several areas. With appropriate control over the requisitioning of such equipment such misuse could be avoided.

5. We also believe that the functions of the Comptroller, Organization and Methods Service, should be broadened to include responsibility for the conduct in conjunction with other Offices concerned, of research and experimental programs to determine the value of new equipment.

6. If you agree with the policies set forth in this memorandum, Organization and Methods will draft and submit to the Regulations Control Staff a regulation embodying this policy and a draft of the expanded functions.

W. L. PEEL

O&M/WLP:ee (13 November 1953)

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